



NISSHA

Medical Technologies Presentation

June 11, 2021

Junya Suzuki

President and CEO

Sam Heleba

Executive Vice President

General Manager of Medical
Technologies Business Unit

Nissha Co., Ltd.

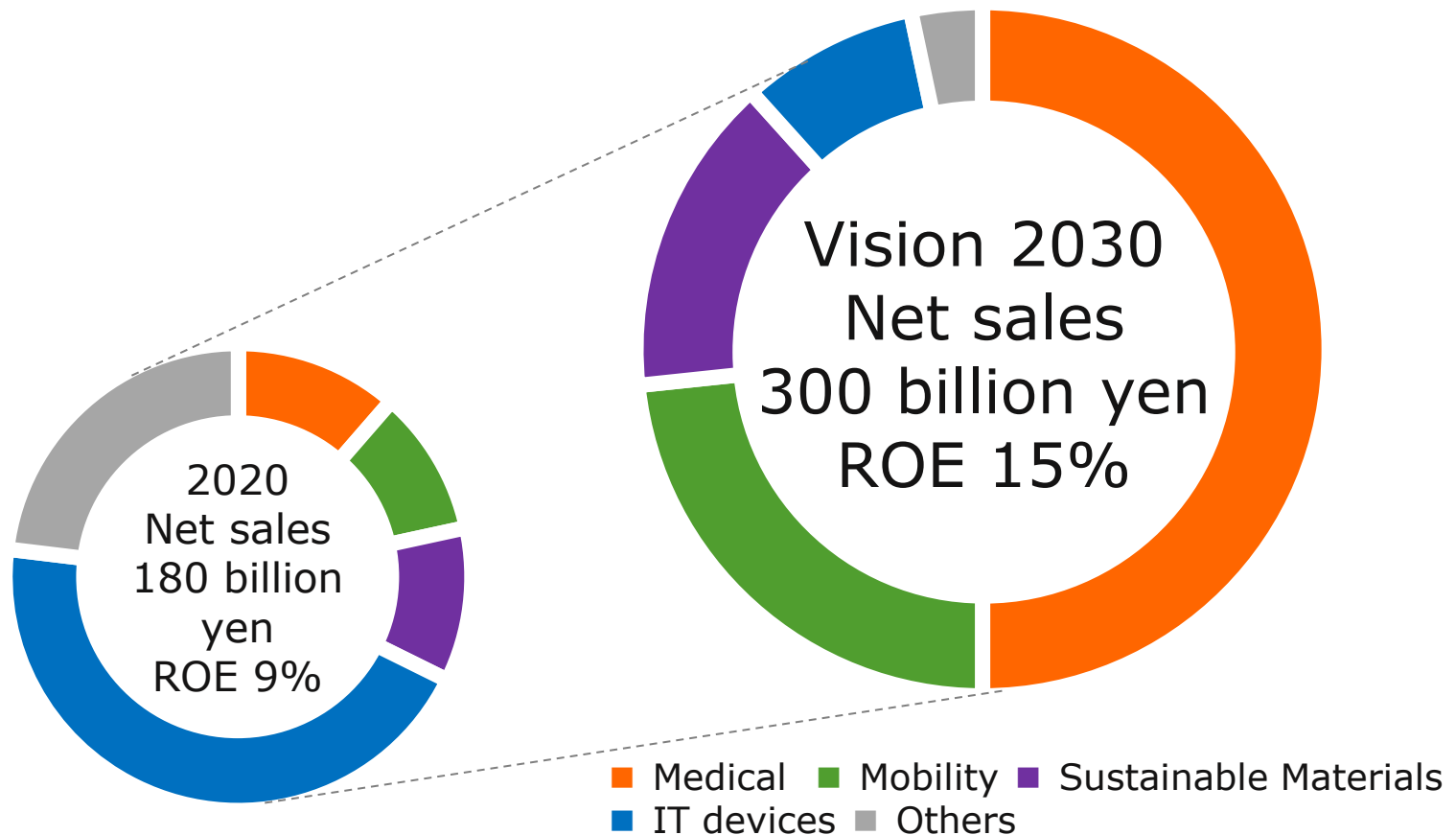
Contents

- Nissha's market position and growth potential in the medical device market
 - Medical device CDMO
- Overview of Medical Technologies Business Unit
- Medical Technologies Business Unit:
The 7th Medium-term Business Plan

Vision 2030 for Sustainable Growth

To become a company that realizes the enrichment of people's lives by enhancing the value we provide in our priority markets as Medical, Mobility, and Environment, through the collective and synchronized diverse technologies and talents.

150 billion yen of net sales in medical business (Vision 2030)



Contributing to unmet needs in the global medical device market

Market Challenges

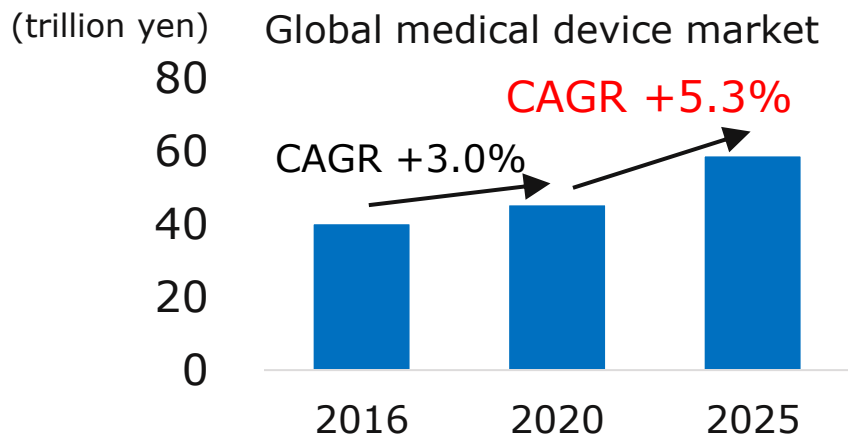
- Aging society
- Increase in acute and chronic diseases
- Shortage of healthcare professional
- COVID-19 challenges
- Financial sustainability of medical system

Changes in medical systems

- Care cycle
Focus on diagnosis and treatment → Coverage of entire care cycle
- Place of medical service
Hospital → +Residential area and In-Home
- Eligibility for medical care compensation
Inputs → Outcomes

Diversifying contribution areas by medical devices

- Alleviating patients' burden (QOL improvement)
- Remotely monitor and maintain health condition at home
- Efficiency of treatment
- Further utilization of AI and IoT



Source : Our research based on Fortune Business Insights 「Medical Devices」

More opportunities for medical device CDMOs*, in the course of the challenges of global OEMs

Challenges of OEMs

Competitiveness

- Every possible technology must be incorporated for medical devices which bring more values for the medical system.
- Active technology research to outside

Operation optimization

- Focusing on marketing (Outsource of design, development, and manufacturing processes)



Opportunities for medical device CDMOs

Role of product development

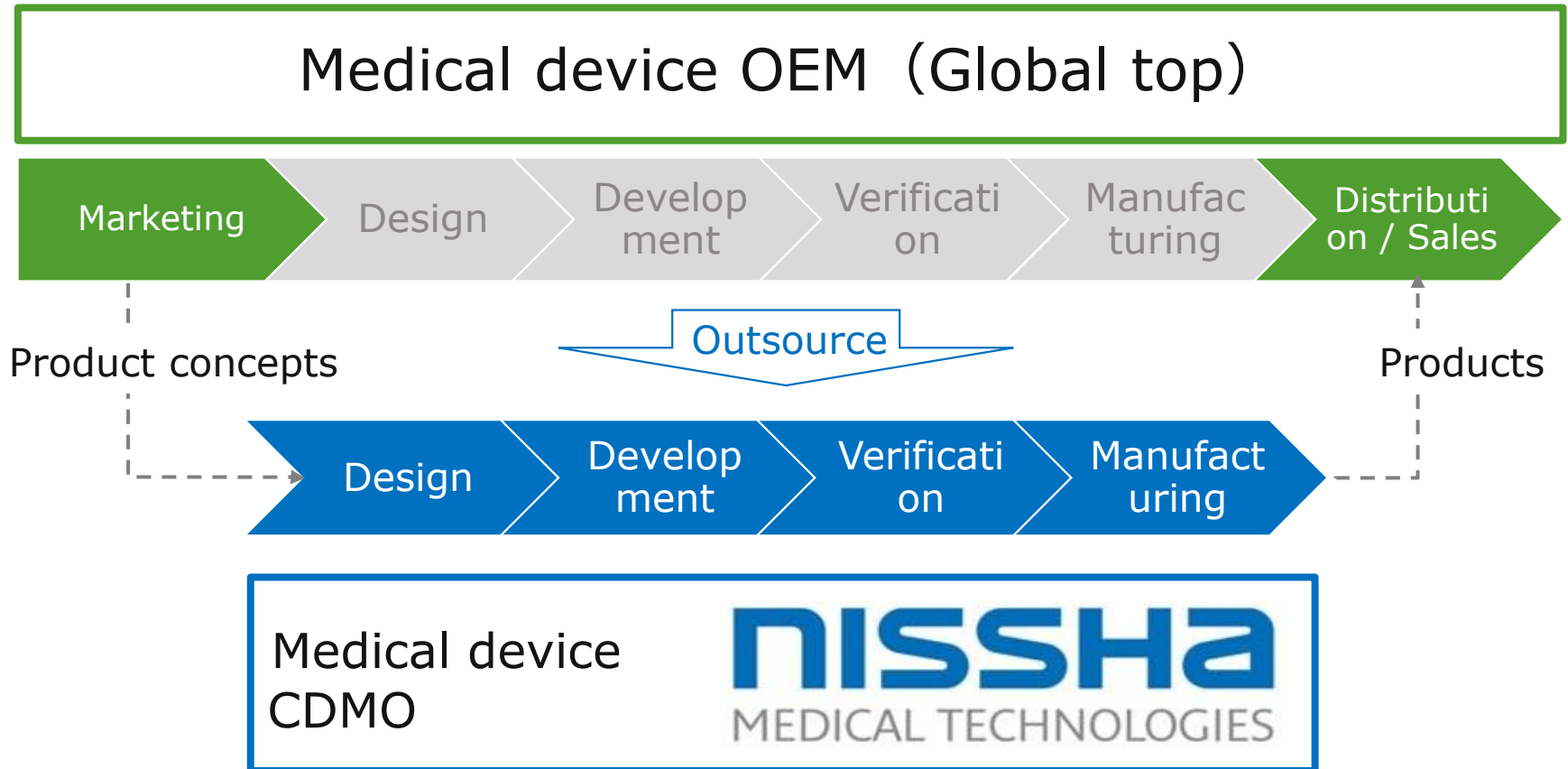
- Technologies to be leveraged, in order to give valuable functions to medical devices
- Design and development capabilities to be more essential

Role of manufacturing

- More opportunities for manufacturing operations

Medical device CDMO (Nissha's position in the Market)

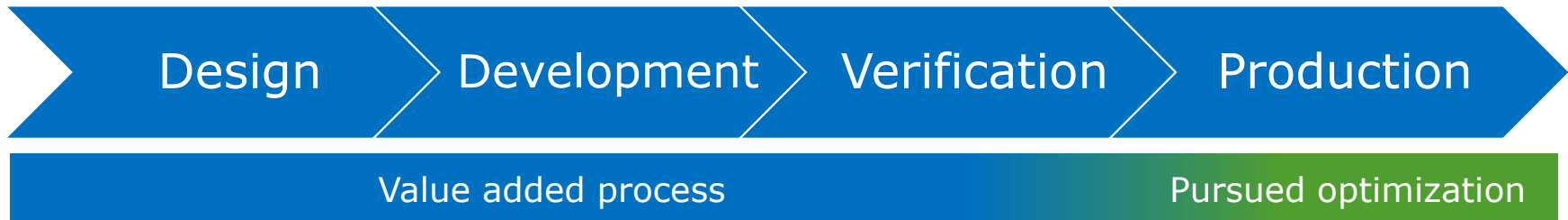
One-stop service provider, from design to manufacturing



* CDMO : Contract Design and Manufacturing Organization

Values from Nissha's medical device CDMO

- Provide best technologies and knowledges to enable product concepts into products
- Design capabilities backed with outcomes in development, verification, and production processes
- Production optimization



Best technologies and knowledges



- Identify required specifications
- Risk management
- Usability study



- Rapid prototyping
- Material development
- Production line development (automation, etc.)



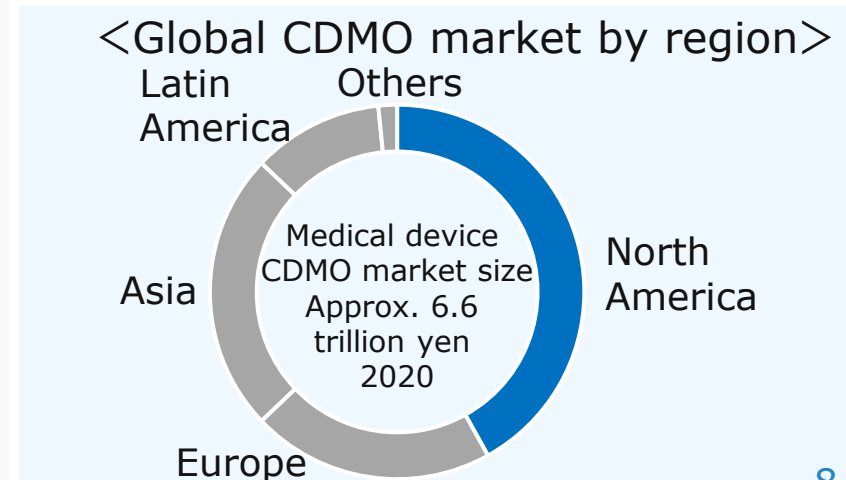
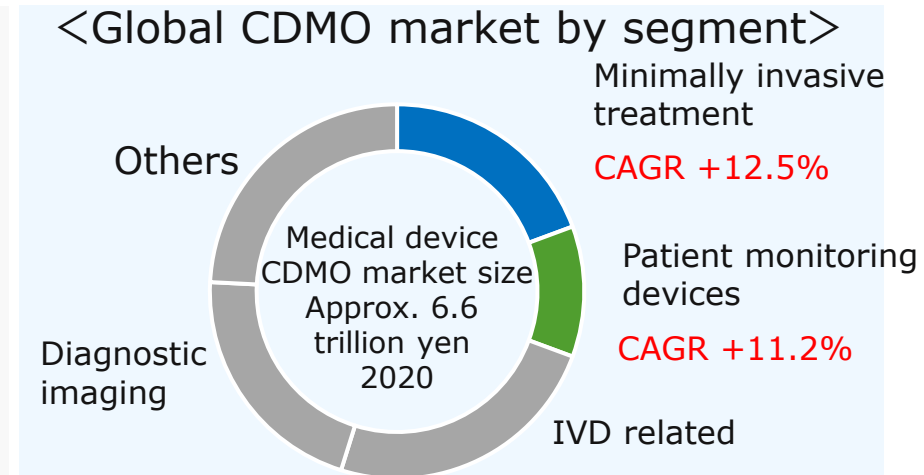
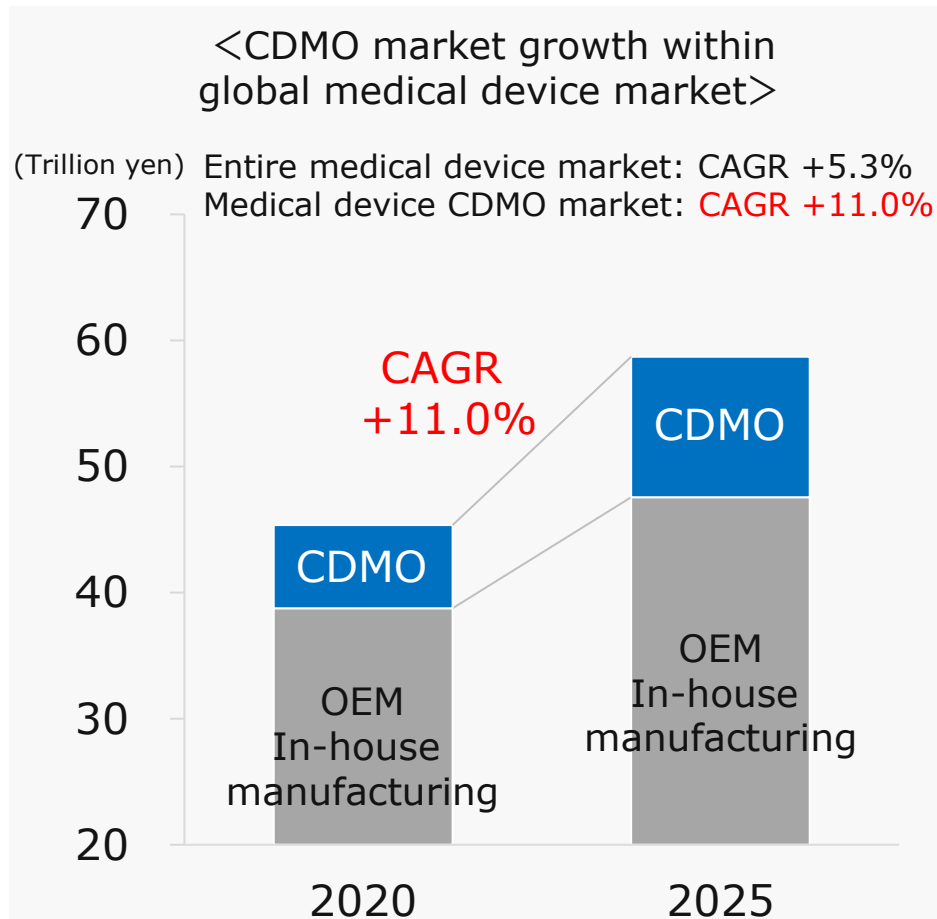
- Performance Test
- Validation



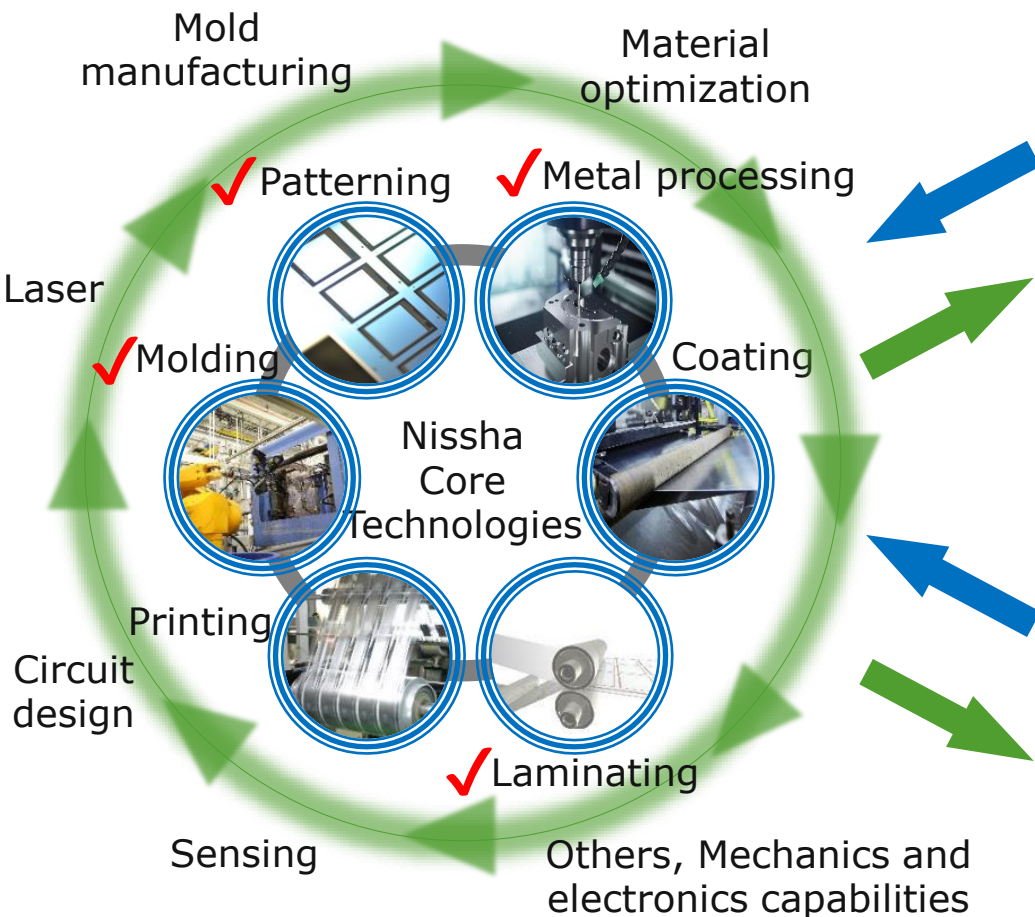
- Production
- Quality assurance

Highly growing in medical device CDMO market

- High growth rate for medical device CDMO market
- Approximately 2 trillion yen market (2020) for minimally invasive treatment and patient monitoring devices, as our serviceable segments
- Main region: USA



Our Core Technologies contribute to better and more valuable functions of medical devices



Minimally invasive surgical devices

Required functions

- Minimalization
- Operationality
- Sensing

Core Technologies

- Metal processing
- Molding



Clinical patient monitoring devices

Required functions

- Minimalization
- Sensing
- Communication

Core Technologies

- Patterning
- Laminating



Accelerate technical innovation for future

Minimally invasive surgical devices

Required functions

- Minimalization
- Operationality
- Sensing

Core technologies

- Metal processing
- Molding

Present



Minimally invasive surgical devices

Future



Robotics

Clinical Patient monitoring devices

Required functions

- Minimalization
- Sensing
- Communication

Core technologies

- Patterning
- Laminating

Present



Clinical Wearables



Smart devices

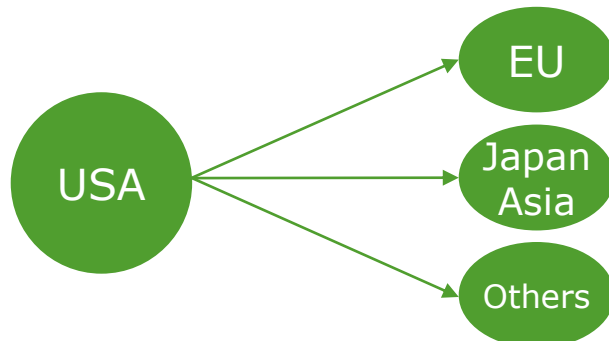
Online mobile healthcare provider



Track records in USA leads more opportunities outside of USA

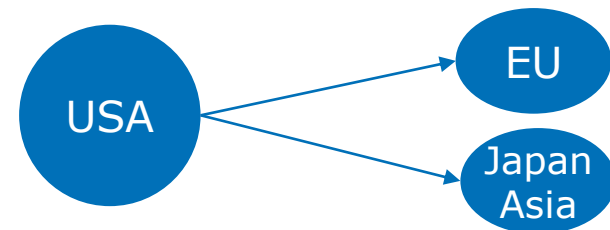
Medical device market

- USA: The biggest and most advanced market
- Many new types of medical devices break out in USA
- Geographic extension to other areas after US market with product accommodation to local regulatory



Business opportunities for Nissha

- M&A of medical devices CDMO in US and market entry in 2016
- Product development with proximity with OEMs in USA
- Track records with OEMs in USA
- Our CDMO to enable geographic extension of OEMs from USA
- EU, Japan, and Asia
- Nissha's bases in EU and Japan to assist



Overview of Medical Technologies Business Unit (MTBU)

Management Team



Junya Suzuki

Chairman of the Board, President and CEO



SAM HELEBA

*Executive Vice President
General Manager of Medical Technologies BU
President & CEO | Nissha Medical Technologies*



MIKE MEMMINGER

*Senior Vice President
CFO*



BRANDON HOFFMAN

*Senior Vice President &
General Manager - NMDM*



DR. MICHAEL GAGLIO

*Executive Vice President &
General Manager – NMHS&CL*



STEVE OKUMURA

*Vice President
Senior Director of Medical Technologies BU
Japan / Asia Management
In charge of technology development*



JONATHON CASEY

*Senior Vice President,
M&A, Marketing, Managing
Director -Europe*



ERIC SHERRADEN

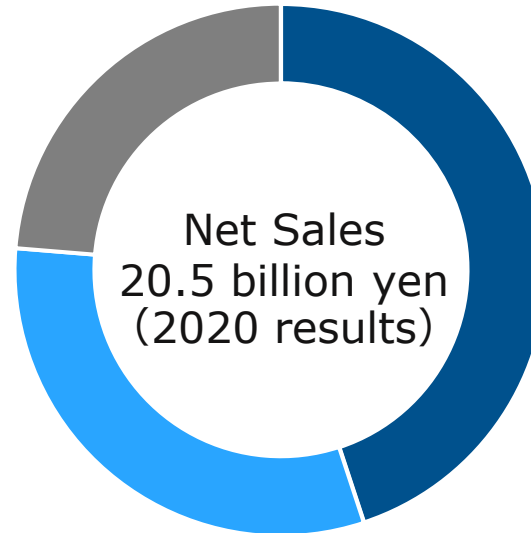
*Senior Vice President,
Global Operations*



TAKEO SUGANO

*Vice President
Senior Director of Medical
Technologies BU
Japan / Asia
In charge of Sales*

MTBU's business territory is mainly North America under "Nissha Medical Technologies"



Sales by business

- Contract Design and Manufacturing (CDMO)
- Direct Medical Surgical Consumables
- Business Media

Medical Devices

Business Media



Contract Design and Manufacturing (CDMO)



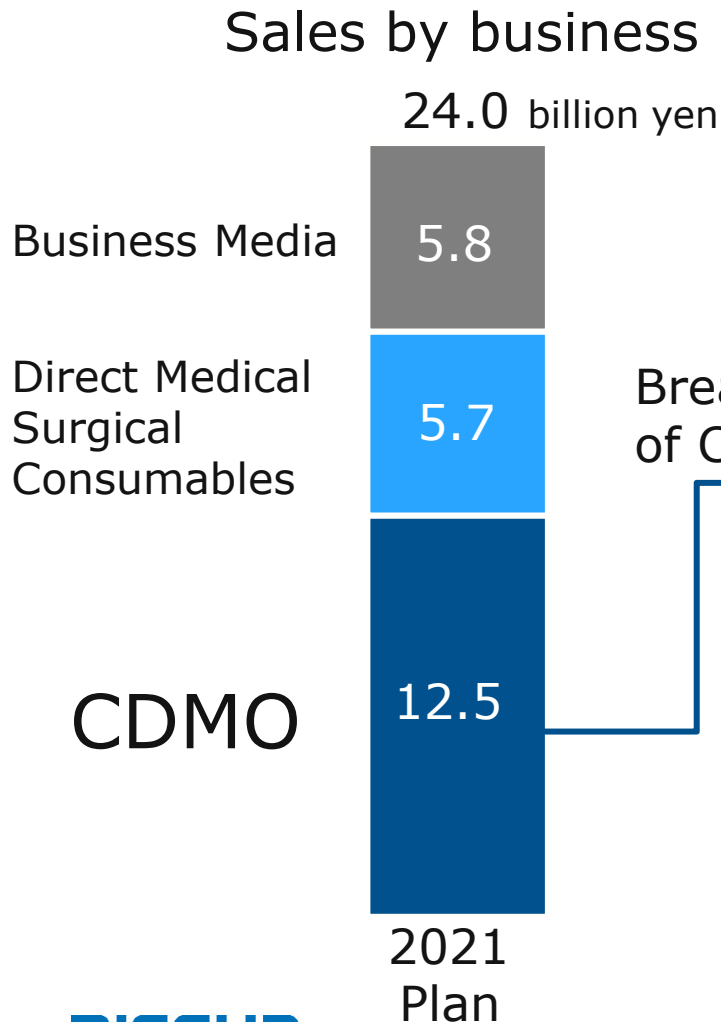
Direct Medical Surgical Consumables



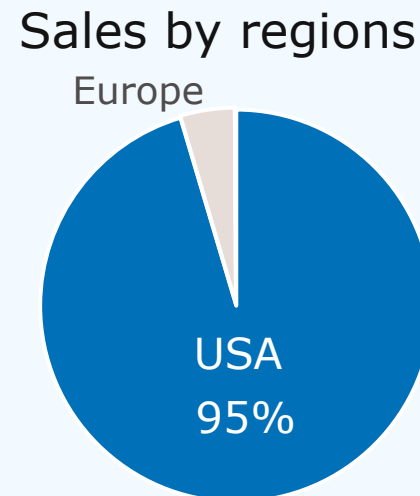
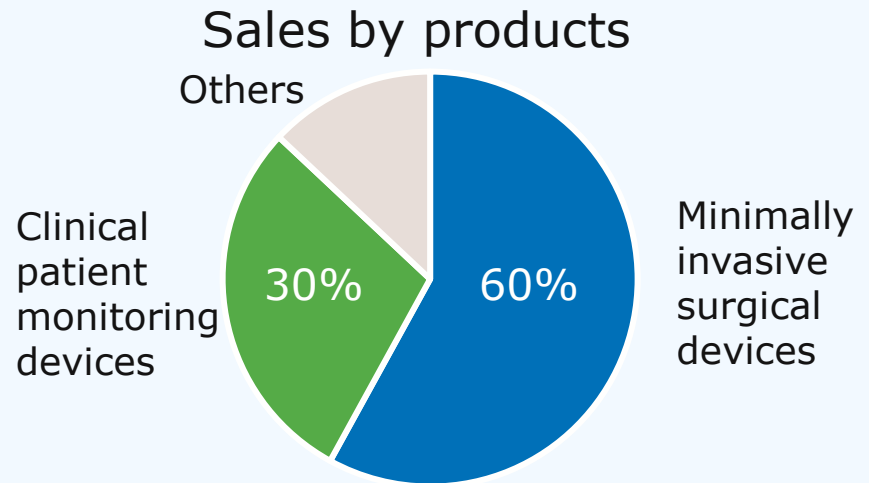
Sales breakdown

Medical Technologies Business Unit

Our CDMO business provides products to growing markets

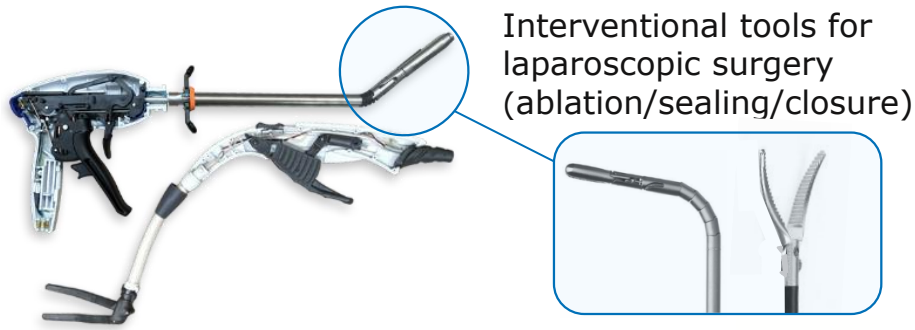


Breakdown
of CDMO



Focus on single-use products; Minimally invasive surgical devices and clinical patient monitoring devices

Minimally invasive surgical devices



Interventional tools for laparoscopic surgery (ablation/sealing/closure)



Laparoscope (visualization)



Accessories for Energized Surgery (Cables, Grounding Pads)

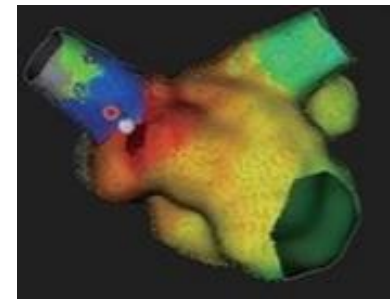


NISSHA

Clinical patient monitoring devices



Continuous monitoring



Cardiac Mapping electrodes



Electrode
Electrocardiogram

Note: Image is an illustration purpose.

Partnership with global medical device manufacturers (OEMs)

Track records with 8 OEMs out of 10 top OEMs

Medtronic

Johnson & Johnson

Boston
Scientific

OLYMPUS

stryker

 **Abbott**



PHILIPS

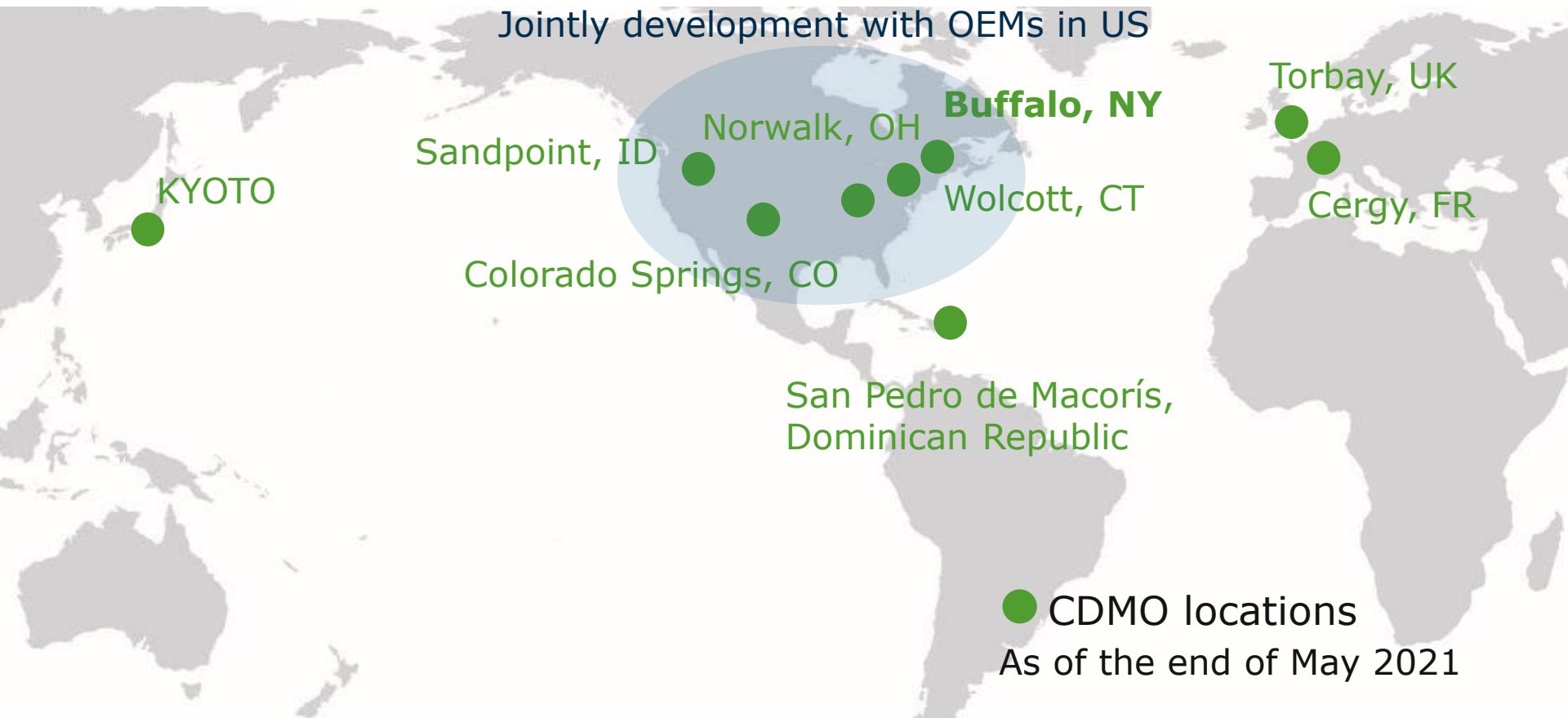


GE Healthcare

The OEM trademarks shown here belong to their respective OEMs and do not belong to the Company or its affiliates. We do not guarantee the relationship or relationship between the products and services of our company and our affiliated companies and the products and services of the OEM.

Footprint in USA, a medically advanced country

- The headquarters of the business unit is in the US (Buffalo, NY)
- Joint development with proximity with global OEMs in USA



Expanding CDMO capabilities through M&A

- Vertical integration through Design/Development to Manufacturing
- Increasing process capabilities and technologies
- Product lineup expansion



Patient Monitoring

Graphic Controls
Buffalo



Development & Manufacturing

Clinical patient monitoring devices

2014
LEAD-LOK
Sandpoint



Development & Manufacturing
Cost advantages

Minimally invasive surgical devices

2016
CEA
Colorado Springs &
Dominican Republic



Design & Development
Vertical Integration

Minimally invasive surgical devices

2018
RSS/Sequel
Wolcott



Development & Manufacturing
Vertical Integration

Minimally invasive surgical devices

2020
Olympus Surgical
Norwalk

Nissha continues to strengthen position as a strategic partner for major OEMs

● Vision

- To continue partnering with the innovators of today, we assist our customers in the realization of value-based healthcare solutions leveraging our specialized capabilities as a global Contract Design and Manufacturing organization.

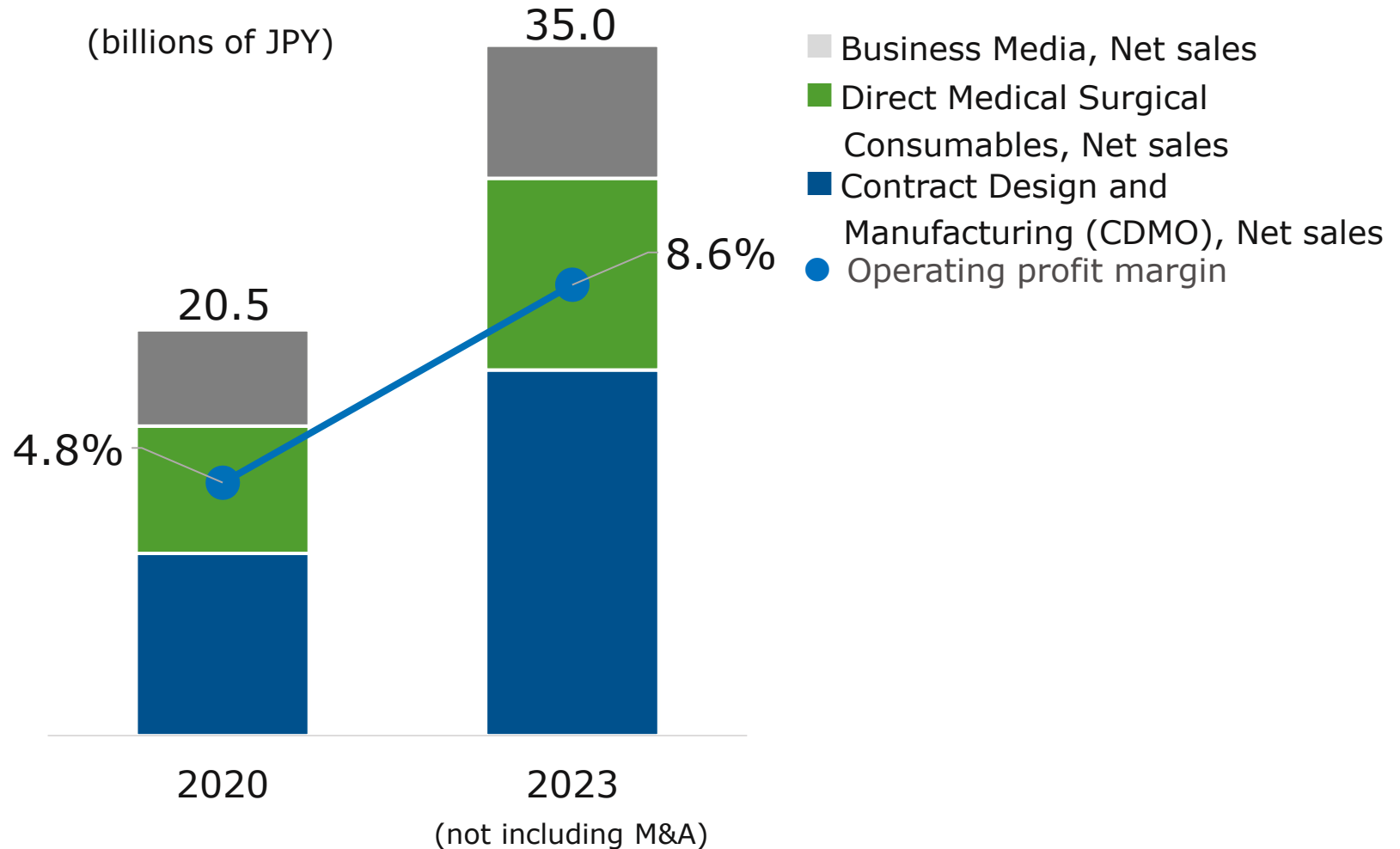
● Strategy

- Organic Development
 - Leverage collective knowledge base and resources for global deployment of operations to support on strategic growth initiatives for new business development
 - Develop manufacturing processes to support manufacturing of next gen devices of Smart Device and Surgical Robotics
 - Continue investment in existing Innovation Centers
- Competitive Landscape & Advantages
 - Technologies which will support our specialization focus in innovative medical devices
 - Continual benchmarking against competition
- M&A
 - Geographic expansion
 - Enhance core technologies
 - Vertical integration to increase profitability and positioning as CDMO
 - Selective enabling technologies in target market segments

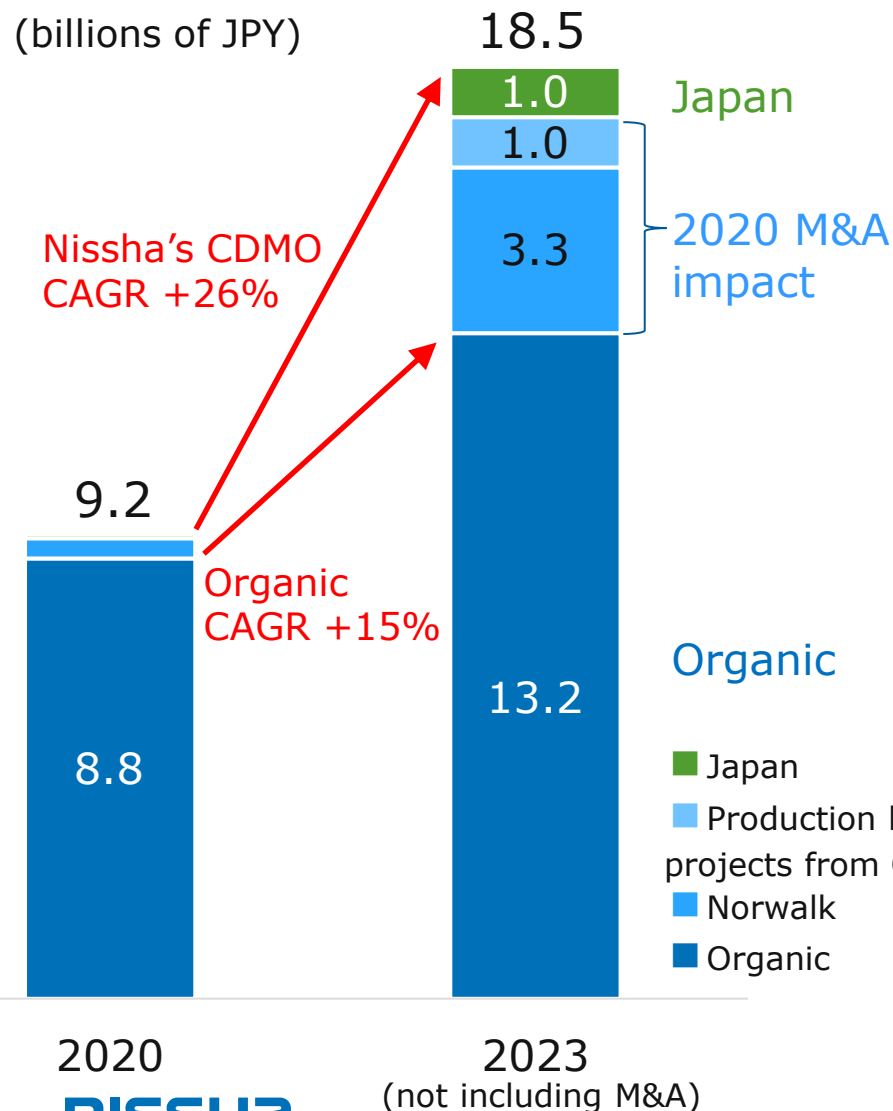
Medical Technologies Business Unit The 7th Medium-term Business Plan

The 7th Mid-term Business Plan

Target 2023: Net sales 35.0 billion yen
Operation profit margin 8.6%



Sales breakdown of Nissha's CDMO



Organic

- Recovery from COVID-19
- Ample new opportunities in medical devices CDMO market

2020 M&A impact

- Net sales contribution through M&A (Norwalk factory)
- Production line transfer projects from Olympus

New opportunities in Japan

- Drive CDMO in Japan

2020 M&A impact

EMPOWERING YOUR VISION

Manufacturing capability

- Norwalk factory
- Production line transfer projects from Olympus into our factory



New medical applications

- Norwalk factory
 - Urology
 - Respiratory
 - Gynecology
 - Gastroenterology
- Production line transfer projects
 - ENT



Urology

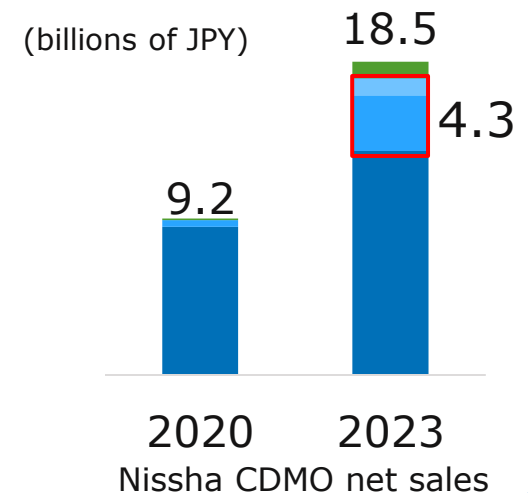


Respiratory

Note: Image is an illustration purpose.

Financial impact

- Norwalk factory
 - Organic growth with Olympus
 - New opportunities with other global OEMs
 - Net sales 3.3 billion yen expected in 2023
- Production line transfer projects
 - Organic growth with Olympus
 - Net sales 1.0 billion yen expected in 2023

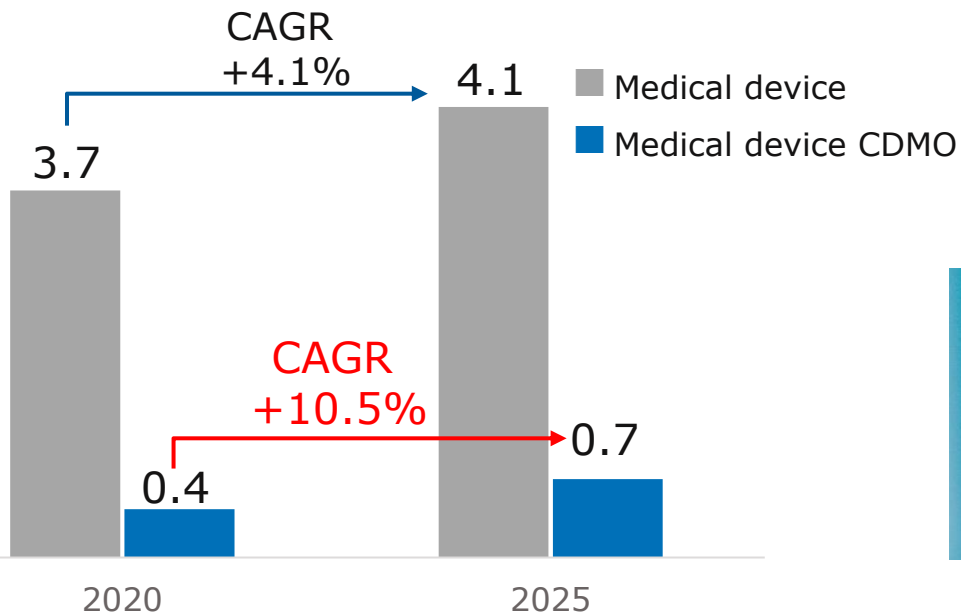


Drive CDMO in Japan

CDMO opportunities expected in Japan

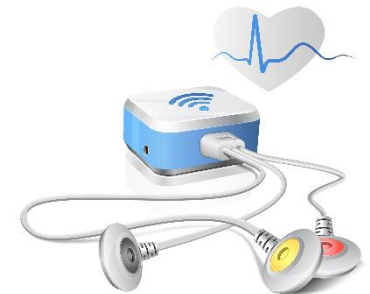
- Global OEMs to extend market reach outside US
 - Japanese regulatory compliance

Japanese medical devices market (Trillions of JPY)



Opportunities

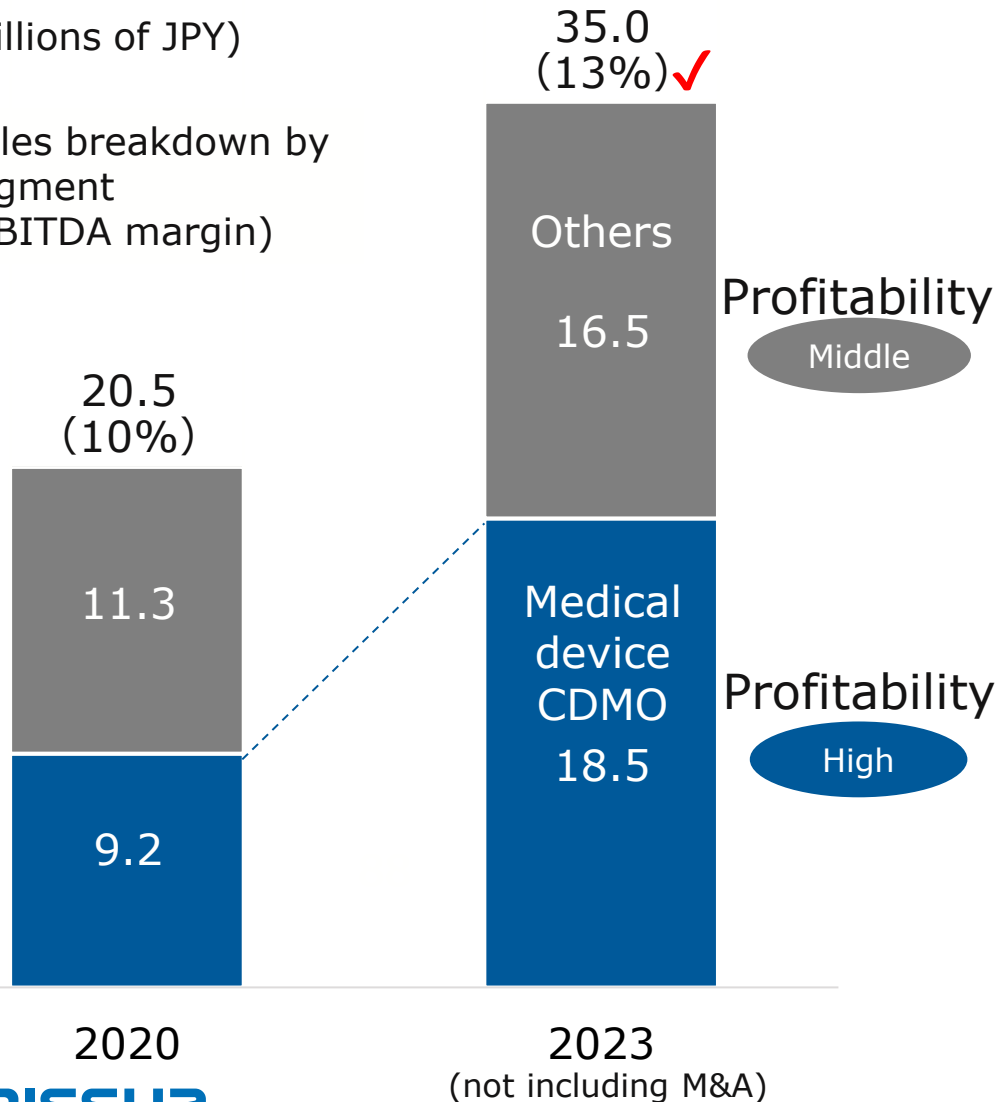
- Assisting global OEM's entry in Japanese market
 - Track records in US leads opportunities in Japan
- Development support for OEMs with Nissha's core technologies
 - Minimalization
 - Operationality
 - Sensing



Our CDMO growth drives profitability improvement

(billions of JPY)

Sales breakdown by segment
(EBITDA margin)



- Sales growth through driving our CDMO enhances the profitability improvement of Medical Technologies business unit.
- Our CDMO brings values through enhancing design and development capabilities

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